



Alabama Medicaid 2020 Budget Hearing

January 30, 2019

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COMMISSIONER
ALABAMA MEDICAID AGENCY



AGENDA

- Overview
- 2020 Budget
- Medicaid Initiatives



Medicaid Overview

Who Does Alabama Medicaid Serve?



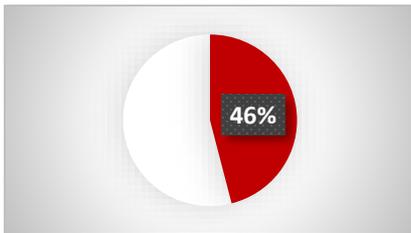
FY 2017 by Date of Service

Disabled and Blind

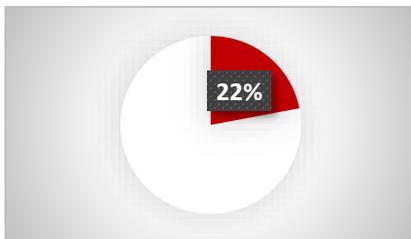
Any Age

Determined by the Social Security Office and have automatic Medicaid eligibility.

% of Expenditures



% of Members



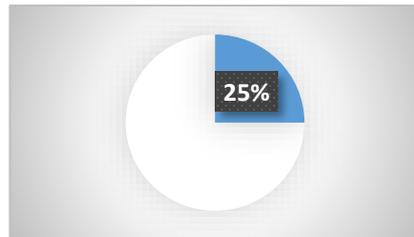
\$11,203
Per Member Per Year

Children

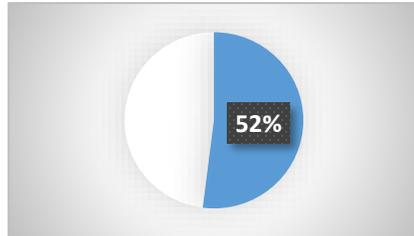
Age 0-18

Children in families below 146% of the Federal Poverty Rate.

% of Expenditures



% of Members



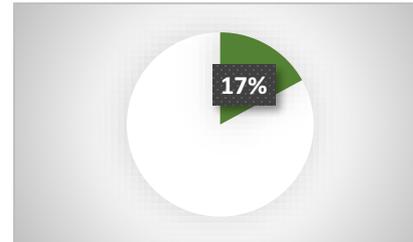
\$2,676
Per Member Per Year

Aged

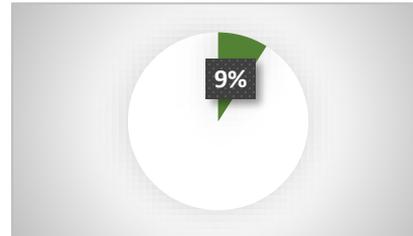
Age 65 and Over

Adults who are in poverty. Almost all are also covered by Medicare

% of Expenditures



% of Members



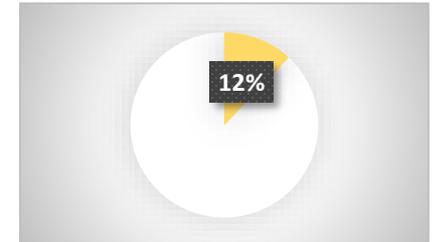
\$10,510
Per Member Per Year

Other Categories

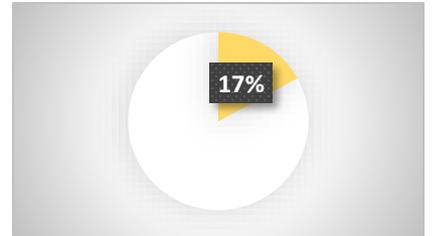
Age 19-64

Other adults including pregnant women, parent caretakers, and family planning services

% of Expenditures



% of Members



\$3,675
Per Member Per Year

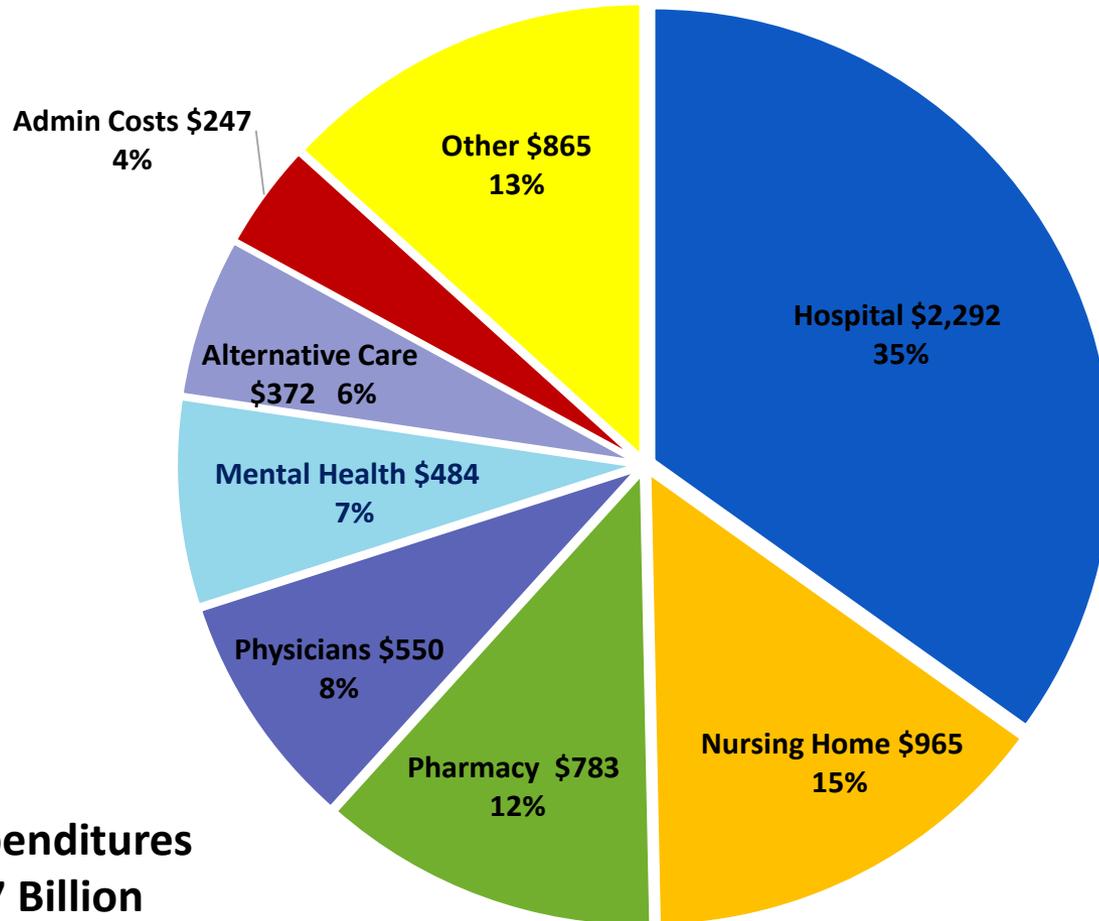
Expenditures, dates of service, include claims, capitations, and access payments based on dates of service in FY 2017.

PMPY calculations not for the purpose of determining managed care rates and do not align to date paid numbers.



FY 2018 Medicaid Expenditure Analysis

Benefit Payments and Administrative Costs (in millions)



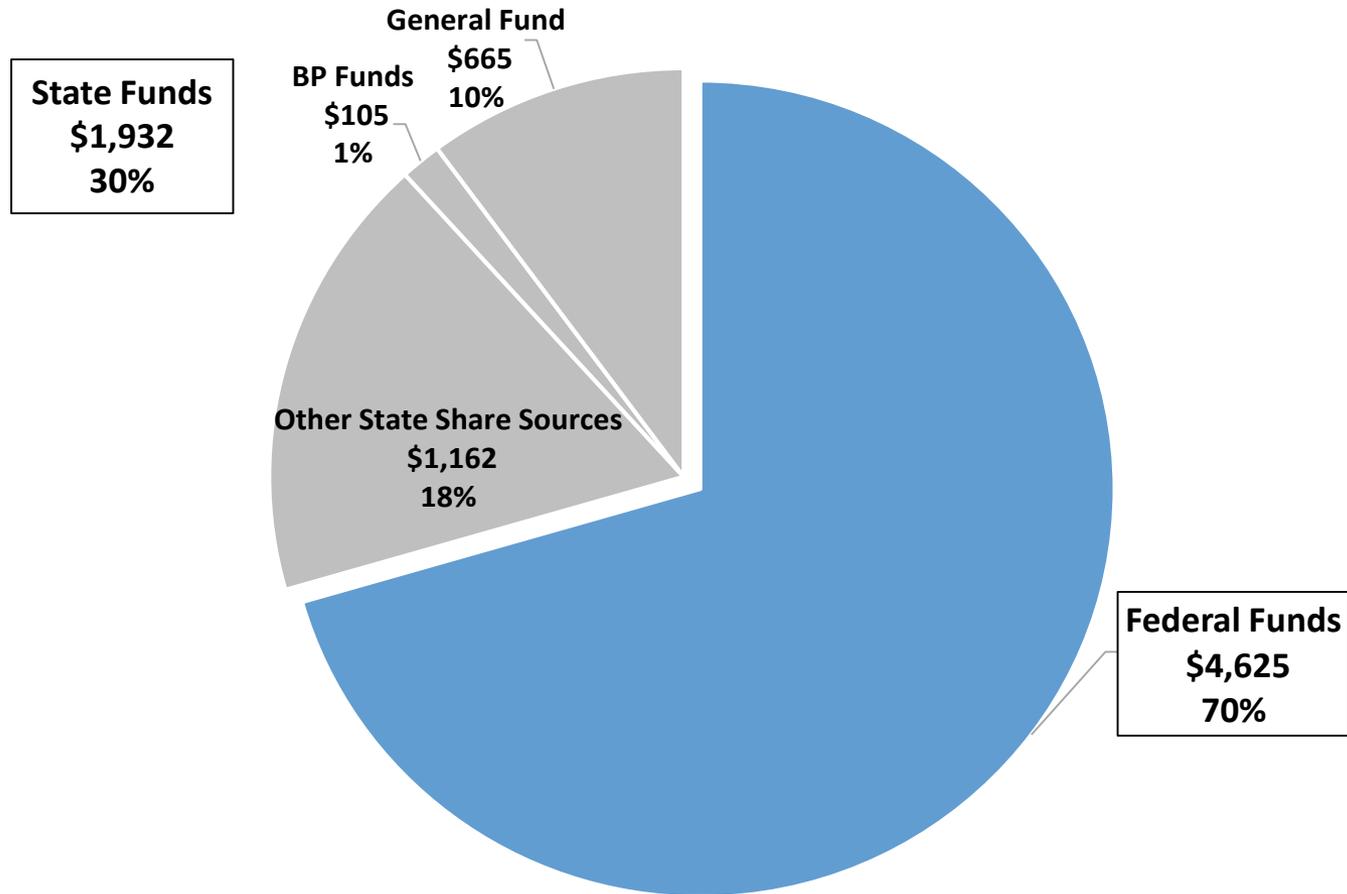
Total Expenditures
\$6.557 Billion



FY 2018 Medicaid Funding Analysis

State and Federal Funding (in millions)

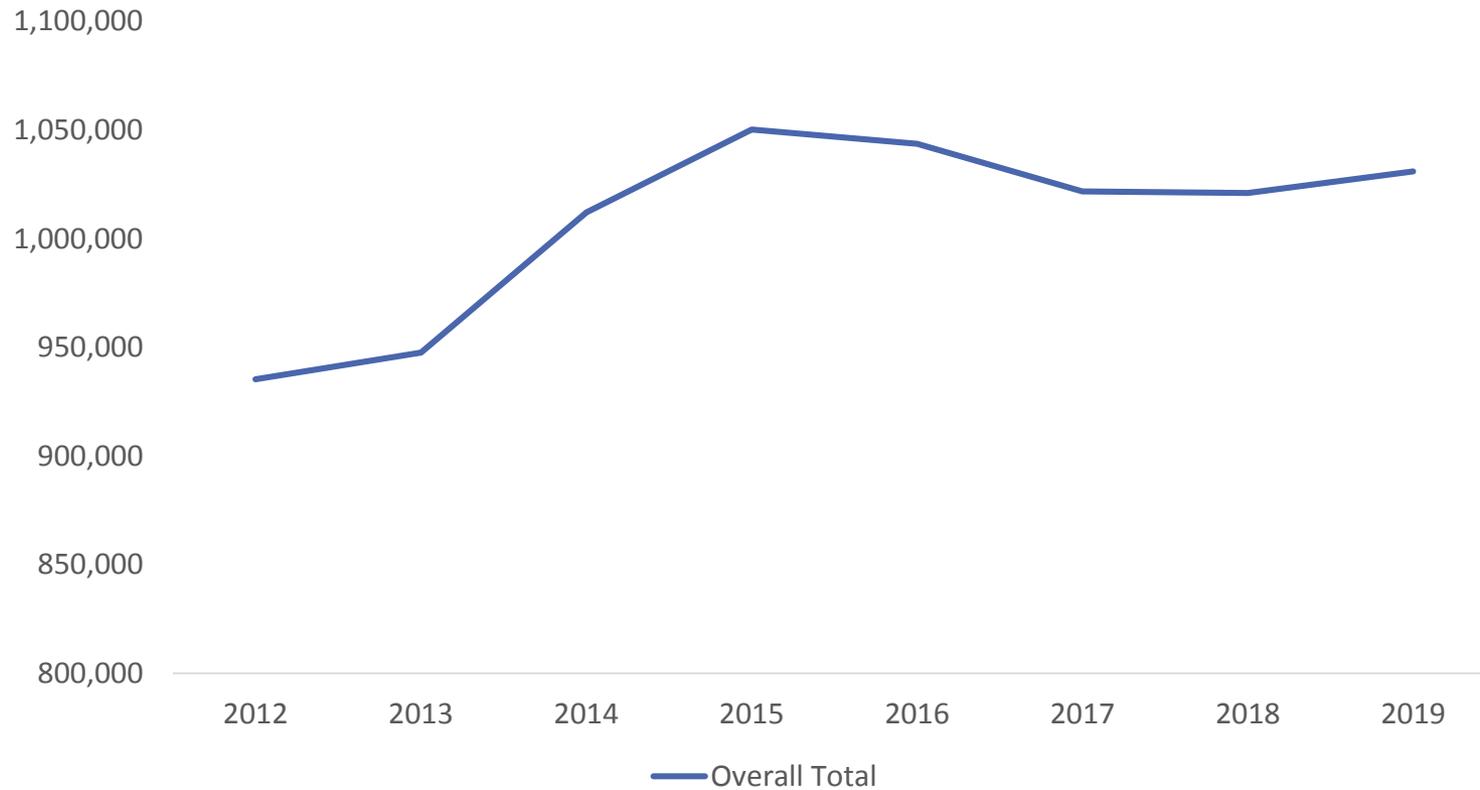
FY 18 Source of Funds: \$6.557 Billion





Monthly Average Eligibles 2012-2019*

Alabama Medicaid Agency
Monthly Average Eligibles



- Fiscal Year to date through October, 2018



2020 Budget



Alabama Medicaid 2020 State Funding Need

General Fund Request	\$715 Million
Total Funding Need	\$821 Million



Inflationary Increases

(In millions)

2020 vs. 2019

Normal Operations

Pharmacy including Clawback	6
Nursing Homes	6
Insurance	10
Other Program Cost (Health Support, Physician, LTC waivers)	4
Other "Hospital" Cost (Duals, OOS, FQHC, etc.)	1
Total Benefit Cost	<hr/> 27



Factors Affecting 2020 Funding Need

- Carryforward
- Recurring Inflationary increases
- CHIP State Share Increase
- Increase in Program Costs
- FMAP changes – reduced state share requirement
 - Impact shared with existing state share funding, such as hospitals; other state agencies; and teaching hospitals
- Paybacks
- Provider funding



Medicaid Initiatives

Medicaid Initiatives



Integrated Care Network (ICN)

- Implemented October 1, 2018
- Moves the Long Term Care (LTC) population to a unique system of care management that will help prepare for the population growth in LTC that is expected due to the aging of baby boomers.
- ICN will be responsible for managing the population and determining if the recipient is better served with home and community-based services (HCBS) or in a nursing home.

Alabama Coordinated Health Network (ACHN)

- Single care coordination delivery system combining Health Home and Maternity programs while also serving the Plan First population – affects approximately 750,000 recipients
- Seven newly defined regions, based on major population centers
- Achieving quality benchmarks
- Request for Proposal released and responses are due in February
- Goal is October 1, 2019 implementation date.

Community Engagement

- Proposed 1115 work requirement waiver on Parent and Other Caretaker Relative (POCR) group has been filed with CMS and bi-weekly calls are occurring to move toward approval of the waiver.



Questions
